

TENNESSEE REGULATORY AUTHORITY

COPY

Lynn Greer, Chairman
Sara Kyle, Director
Melvin Malone, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

October 14, 1997

Mr. William F. Caton
Office of the Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

Re: Universal Service Cost Model
In the Matter of CC Docket No. 96-45.
Expedited Petition For a One Hundred Twenty (120) Day Extension to File Tennessee
Forward-Looking Economic Cost Study.

Dear Mr. Secretary:

Attached to this letter is a Petition for a one hundred twenty (120) day extension of time to file the forward-looking economic cost study which we notified you that we would be filing on February 6, 1998. We would request that this be placed before the Commissioners as soon as possible.

In response to the Federal Communications Commission's ("FCC") Report and Order issued May 8, 1997, In the Matter of Federal-State Joint Board on Universal Service, ("FCC Order") CC Docket No. 96-45, the Tennessee Regulatory Authority ("Authority") filed a Letter of Notification and Order in this Docket on August 12, 1997, concerning the filing of a Tennessee forward-looking economic cost study.

At the August 5, 1997, Authority Conference, the Directors voted to inform the FCC, by the August 15, 1997, deadline, that the Authority planned to develop a Tennessee forward-looking economic cost study to be submitted to the FCC by February 6, 1998. The Directors acknowledged in that Order that there would need to be some coordination with the FCC in regards to the model and expressed a willingness for such cooperation. Additionally, the Directors noted that at a later date, the Authority may elect to adopt the FCC model, but did not want to foreclose the option of having the Authority submit a cost study by February 6, 1998, as requested by the FCC.

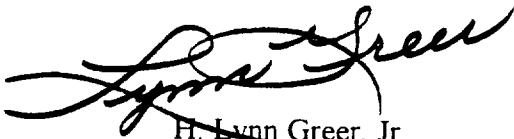
The Authority notes that it currently has the following dockets open: *Universal Service Generic Contested Case, Docket No. 97-00888; Generic Contested Case for the Purpose of Access Charge Reform, Docket No. 97-00889 and Petition to Convene a Contested Case Proceeding to Establish Permanent Prices for Interconnection and Unbundled Network*

Elements, Docket No.97-01262. The Authority has various models under consideration in the aforementioned dockets. Through the continued hearing of the various dockets, the Authority believes that the appropriateness of the various models will be considered and that a model will be developed for purposes of calculating the federal support of universal service.

The Authority is working diligently on the forward-looking economic cost study. Due to the time and staff resources needed from a small state regulatory agency, such as ours, to develop the models required by the previously mentioned dockets, it appears highly unlikely that we will be able to complete the interim work necessary on the Tennessee Forward-Looking Cost Study under CC Docket No. 96-45, by the February 6, 1998, deadline. We would respectfully request that the Federal Communications Commission grant us an extension of time to file the Tennessee Forward-Looking Economic Cost Study. The Authority believes that a period of one hundred twenty (120) days after February 6, 1998, is adequate.

We would appreciate your consideration in expediting this request.

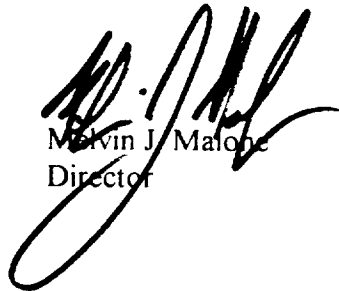
Sincerely,



H. Lynn Greer, Jr.
Chairman



Sara Kyle
Director



Melvin J. Malone
Director

In the Matter of)
Federal and State Joint Board on) **CC DOCKET NO. 96-45**
Universal Service)

At the August 5, 1997, Authority Conference, the Directors unanimously voted to notify the FCC, by the August 15, 1997, deadline, that the Authority planned to develop a Tennessee forward-looking economic cost study to be submitted to the FCC by February 6, 1998. The Directors acknowledged in that Order that there would need to be some coordination with the FCC in regards to the study and expressed a willingness for such cooperation.

The Authority notes that it currently has the following dockets open: *Universal Service Generic Contested Case, Docket No. 97-00888; Generic Contested Case for the Purpose of Access Charge Reform, Docket No. 97-00889 and Petition to Convene a Contested Case Proceeding to Establish Permanent Prices for Interconnection and Unbundled Network Elements, Docket No. 97-01262*. The Authority has various cost models under consideration in the aforementioned dockets. Through the continued hearing of the various dockets, the Authority believes that the appropriateness of the various models will be considered and that a model may be developed for purposes of calculating the federal support of universal service.

The Authority is working diligently on the forward-looking economic cost study. Due to the time and staff resources needed from a small state regulatory agency, such as ours, to develop the models required by the previously mentioned dockets, it appears highly unlikely that we will be able to complete the interim work necessary on the Tennessee Forward-Looking Cost Study under CC Docket No. 96-45, by the February 6, 1998, deadline.

WHEREFORE: The Authority respectfully petitions that the Federal Communications Commission grant the Authority, on an expedited basis, an extension of time to file the Tennessee Forward-Looking Economic Cost Study. The Authority believes that a period of one hundred twenty (120) days after February 6, 1998, is adequate.

**THE TENNESSEE
REGULATORY AUTHORITY**


CHAIRMAN
DIRECTOR
DIRECTOR

ATTEST:


EXECUTIVE SECRETARY

TENNESSEE REGULATORY AUTHORITY

Lynn Greer, Chairman
Sara Kyle, Director
Melvin Malone, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

August 12, 1997

Exhibit 1

Office of the Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, D.C. 20554

RE: Universal Service - Cost Model
In the Matter of Federal-State Joint Board on Universal Service
CC Docket Nos. 96-45 and 97-160

I am writing in response to the above referenced Report and Order issued May 8, 1997. In the Order at Paragraph 248, the Federal Communications Commission ("FCC") requested that the States notify the FCC if they were going to elect to conduct their own cost studies for calculating federal universal support. The Order further requested that such studies be submitted to the FCC by February 6, 1998.

Attached is an Order of the Tennessee Regulatory Authority ("TRA") setting forth that at this time, the TRA is electing to develop its own cost studies to be submitted to the FCC in February. As the TRA Order states, we currently are processing three dockets in which cost models will be developed and relied upon. Therefore, at this time we see some benefit in considering such models for purposes of federal funding of universal service.

We recognize that any model submitted by the TRA will need to meet the Commission's criteria. To that end, the TRA expects that there will be cooperation between our staff and the staff of the FCC in the development of both the Tennessee and FCC cost study models. Consequently, at this time, we would expect that any model submitted by the TRA will meet the FCC's criteria.

If you have any questions regarding this matter, please let us know.

Sincerely,


H. Lynn Greer, Jr.
Chairman

cc: Director Sara Kyle
Director Melvin Malone
Sheryl Todd, FCC Accounting & Audits Div.
Austin Lyons

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

August 13, 1997

In Re:

Universal Service Generic
Contested Case

)
)
) Docket No. 97- 00888
)
)

ORDER REGARDING COST MODEL FOR
UNIVERSAL SERVICE

This matter comes before the Tennessee Regulatory Authority ("Authority") in response to the Federal Communications Commission's ("FCC") Report and Order issued May 8, 1997, In the Matter of Federal-State Joint Board on Universal Service, ("FCC Order") CC Docket No. 96-45. In response to the Order, the Authority finds as follows:

1. The FCC Order discussed the determination of forward-looking economic cost studies for calculating federal universal service support. In Paragraph 248, the FCC Order states:

Therefore, as the basis for calculating federal universal support in their states, we will use forward-looking economic cost studies conducted by state commissions that choose to submit such cost studies to determine universal support. As discussed further below, we today adopt criteria appropriate for determining federal universal service support to guide the states as they conduct those studies. We ask the states to elect, by August 15, 1997, whether they will conduct their own forward-looking economic cost studies. States that elect to conduct such studies should file them with the Commission on or before February 6, 1998.

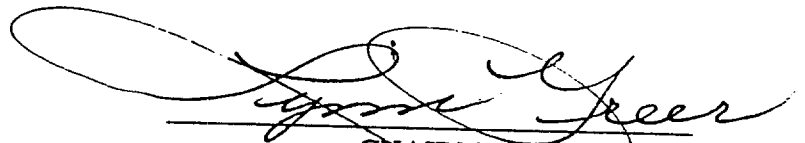
2. The Authority notes that it currently has the following dockets open: *Universal Service Generic Contested Case, Docket No. 97-00888; Petition of AT&T Communications of the South Central States, Inc., For the Purpose of Convening a Generic Contested Case for the Purpose of Access Charge Reform, Docket No. 97-00889; and Petition to Convene a Contested Case Proceeding to Establish Permanent Prices for Interconnection and Unbundled Network Elements, Docket No. 97-01262.*

3. The Authority expects that various models will be considered in the aforementioned dockets. Through the processing of the various dockets, the Authority believes that the appropriateness of the various models will be considered and that a model will be developed for purposes of calculating the federal support of universal service.

4. Therefore, at the August 5, 1997, Conference, the Directors voted to inform the FCC that, at this time, the Authority plans to develop a model to be submitted to the FCC by February 6, 1998. The Directors expect that there will be cooperation between the Authority Staff and the FCC with regard to the development of both the Tennessee and FCC cost study models.

IT IS THEREFORE ORDERED THAT:

1. The Authority, at this time, plans to submit its own cost study model to the FCC by February 6, 1998.


CHAIRMAN


DIRECTOR


DIRECTOR

ATTEST:


EXECUTIVE SECRETARY